



TURKMENISTAN PROJECTS

Profile No.	PROJECT NAME	LOCATION
TM1	Telecommunications System in the Oil and Gas Sector	Nationwide

TURKMENISTAN

Telecommunications System in the Oil and Gas Sector

Project Summary

Subsector	Telecommunications
Location	Ashgabat, Turkmenistan
Project Cost	US\$50 Million
Export Potential	US\$20-30 Million
Project Type	Telecommunications Development
Project Executing Agency	Turkmengas Company



Project Outline

In April 2001, Turkmengas announced a tender to build a telecommunications system for the oil and gas industry. A tender commission will choose a project sponsor by mid-July.

The GOTX proposes to enter into a Build-Operate-Transfer arrangement with a foreign sponsor to plan, construct, supply and assemble telecommunications equipment for a single system to network all oil and gas facilities. Payment might be a barter in the form of natural gas delivered to the Turkmen-Uzbek border for further sale. A credit arrangement will also be an option for project financing. U.S telecommunications equipment producers and exporters will have an opportunity to offer their products and services for this project.

Technical Description

The project involves rebuilding the existing telecommunications system in the oil and gas industry and creating a new automated control system connecting all the regional oil and gas administrative points and facilities with the central control office located in Berzengi, Ashgabat. Turkmengas will control project implementation.

Project Site

The project will cover all the oil and gas facilities located in Turkmenistan and will connect them to the central control point in Ashgabat. The project also includes relocating the telecommunications equipment currently located in Khiva, Uzbekistan, to Turkmen territory.

Project Status/Timeline

The proposed project is a top priority for the Government. The foreign sponsor would be expected to complete all work, including equipment assembly and necessary testing to begin operation within two years of signing a contract.

Equipment and Services

This project will require high-tech electrical, radio and telecommunications equipment, computer hardware and software, and control lab equipment. The information on final project requirements and necessary equipment will be available after the GOTX has determined a winner. The project sponsor will conduct a project feasibility study or hire a third company to do so. The firm will serve as a project manager and will locate suppliers of equipment and services.

U.S. Competitiveness

United States' technology and equipment are highly regarded and welcomed in Turkmenistan. U.S. companies are well positioned to provide all of the hardware and software requirements for this project.

Project Financing

The foreign sponsor is expected to bring a financial proposal to the table. Turkmen gas wants the contractor to arrange all the necessary financing without sovereign guarantee from the GOTX. However, the Government will support the project by providing a duty free regime for importation of equipment, materials and devices, and other tax holidays. Turkmen gas will provide natural gas deliveries to the Turkmen-Uzbek border for further sale instead of hard currency to cover project expenses. The project will be implemented in four phases over a 24-month period.

Conclusion

Presently, the telecommunications sector in Turkmenistan in general is one of the least developed in the region. This project offers good prospects for U.S. companies and may make an impact on the speedy development of the entire telecom sector in Turkmenistan.

Key Decision Makers

Organization or Company Name	State Turkmenogas Company
Contact Person	Allamurad Ovezov
Title	Deputy Chairman
Address	1 Mollanepes Street, Ashgabat, 744000 Turkmenistan
Telephone	(993-12) 39-88-95, 39-00-48
Fax	(993-12) 35-72-81, 35-60-79
E-mail	Tmgas@online.tm